

Town of Acton

Memo

To: Board of Selectmen
From: John Murray
CC: Bill Ryan
Date: September 28, 2007
Re: Unilateral Draft ALG Plan for Fiscal Years 2009 and 2010

Attached is a draft ALG Plan that I have compiled unilaterally. I feel that last year's Plan is not up-to-date.

Plans modified outside of the ALG process are compiled in a vacuum and work against consensus and transparency, however, given that the ALG process has not taken up the Plan in some time, I needed to use numbers I feel are more accurate.

I continue to urge Board and ALG members to take a holistic look at the current budget environment:

1. Operating needs and citizen financial capabilities/will
2. Town and Schools
3. Capital and operating

Unfortunately, ALG has not progressed to the point where a consensus ALG Plan has been generated. The sole purpose of providing you a unilateral draft plan, is to provide context to tomorrow's budget workshop. While I believe it is a valid plan, I urge you not to become vested in it as a final document. Please regard it as a backdrop to tomorrow's meeting.

ALG 3 Year Budget and Revenue Forecast

Final FY07 Budget-Adjusted State Aid projections (FY08-10 see Note 1)

FY08/FY09 budget increases assumed at 5.5% per year.

	FY	2006 (Recap)	2007 Final	2007 Updated (2)	2008 Forecast	2009 Forecast	2010 Forecast	Comments
Revenues:								
Tax Levy:								
Base		\$ 46,480	\$ 52,256	\$ 52,256	\$ 54,361	\$ 56,370	\$ 58,379	
2 1/2%		\$ 1,162	\$ 1,306	\$ 1,306	\$ 761	\$ 1,409	\$ 1,459	
New Growth		\$ 814	\$ 550	\$ 799	\$ 650	\$ 600	\$ 600	Held flat after decrease in '09
Debt Excl.		\$ 2,817	\$ 3,369	\$ 3,369	\$ 3,332	\$ 3,101	\$ 3,101	
Overlay		\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	\$ (500)	
Prior Years Overlay Deficits					\$ (45)			Overlay Deficits are required to be funded without Town Meeting Appropriation
Total Tax Levy (excl. current yr. override)		\$ 50,773	\$ 56,981	\$ 57,230	\$ 58,559	\$ 60,980	\$ 63,040	
Cherry Sheet		\$ 4,186	\$ 4,979	\$ 4,979	\$ 6,004	\$ 6,513	\$ 6,930	09 & 10 from Jonathan's spread sheet attached to an e-mail dated 9-28-07
SBAB - Twin School		\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	\$ 1,086	
Excise Taxes		\$ 2,835	\$ 3,300	\$ 2,805	\$ 2,690	\$ 2,825	\$ 2,966	Actual '07 = \$2,690 & 5% growth
Fees		\$ 705	\$ 1,200	\$ 1,300	\$ 1,365	\$ 1,399	\$ 1,434	Assumed 2.5% annual increase
Int. Income		\$ 190	\$ 250	\$ 350	\$ 368	\$ 250	\$ 250	
Pension/Pothole/Other		\$ 82	\$ -	\$ -	\$ -	\$ -	\$ -	
Regional Revenue		\$ 2,532	\$ 3,967	\$ 3,868	\$ 4,823	\$ 5,305	\$ 5,677	09 & 10 from Jonathan's spread sheet attached to an e-mail dated 9-28-07
Regional E&D Acton's share		\$ 314	\$ 337	\$ 337	\$ 286	\$ 500	\$ 400	\$1.3 - \$1.4 million balance avail. from '09 per Draft Fincom minutes of Sept. 11, 2007
Windfall E&D						\$ 219		
HS Interest/Bond Prem.		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
NESWC						\$ 400	\$ 400	Est. balance avail for '09 = \$2.0 million. Represents an equal percentage amount to the reduction in E&D
Free Cash (5)		\$ -	\$ 137	\$ 137	\$ 1,600	\$ 855	\$ 500	
Windfall Free Cash						\$ 136		
Operating Override		\$ 3,800	\$ -	\$ -				
Capital Override								
Revenues before Overrides		\$ 62,703	\$ 72,237	\$ 72,092	\$ 76,781	\$ 80,332	\$ 82,682	
Revenues including Overrides		\$ 66,503	\$ 72,237	\$ 72,092	\$ 76,781	\$ 80,332	\$ 82,682	
Revenue incl override excluding debt/SBAB		\$ 62,600	\$ 67,782	\$ 67,637	\$ 72,363	\$ 76,145	\$ 78,495	
Debt Exclusion:								
Debt on APS		\$ 489	\$ 505	\$ 505	\$ 517	\$ 526	\$ 526	
Debt on JHS/SHS		\$ 1,213	\$ 1,798	\$ 1,798	\$ 1,778	\$ 1,612	\$ 1,612	
Municipal Debt Incurred		\$ 570	\$ 537	\$ 537	\$ 520	\$ 454	\$ 454	
Debt on Police station		\$ 545	\$ 529	\$ 529	\$ 517	\$ 509	\$ 509	
Total Debt Exclusions		\$ 2,817	\$ 3,369	\$ 3,369	\$ 3,332	\$ 3,101	\$ 3,101	
Budgets Excluding Debt:								

Municipal Budget	\$ 18,971	\$ 20,417	\$ 20,417	\$ 23,483	\$ 24,138	\$ 25,828	FY '09 = FY '08 budget as increased by agreed upon increases plus articles level funded		
Windfall Carryover					\$ 355	\$ 355			
Municipal Capital Replacement					\$ 400	\$ 400	Funded by NESWC		
Subtotal Town				\$ 23,483	\$ 24,893	\$ 26,583			
APS Budget -08 includes Douglas Modulares	\$ 20,479	\$ 22,047	\$ 22,047	\$ 23,688	\$ 25,228	\$ 26,615	6 - 7 %for FY 09 & 10 increase per Bill Ryan		
ABRSD Budget - Acton Share *	\$ 22,356	\$ 23,593	\$ 23,593	\$ 25,848	\$ 27,528	\$ 29,042	6 - 7 %for FY 09 & 10 increase per Bill Ryan		
MM Assumption	\$ 780	\$ 750	\$ 750	\$ 787	\$ 811	\$ 835	3% increase based on history		
Subtotal schools	\$ 43,615	\$ 46,390	\$ 46,390	\$ 50,323	\$ 53,566	\$ 56,492			
TOTAL	\$ 62,586	\$ 66,807	\$ 66,807	\$ 73,806	\$ 78,459	\$ 83,075			
NET POSITION	\$ 14	\$ 975	\$ 830	\$ (1,443)	\$ (2,315)	\$ (4,580)			
							Total Town Spending including APS Debt, PSF Debt, Muni Debt & SBAB		
							FY '08	FY '09	FY '10
							\$ 26,123	\$ 27,468	\$ 29,158
								5.15%	6.15%

Town Spending Percentage w/o Debt Exclusions

FY '08	FY '09	FY '10
31.82%	31.73%	32.00%

Town Spendin

\$ 26,175

-81

\$ 26,094

* FY 07 Includes an additional \$192,000 reflecting Acton's share of \$240,000 proposed additional spending

(1) For Town assumes 5% increase in state aid, for Schools uses M. Altieri estimates

(2) Updated for "final" excise tax, Municipal Fees, Interest income from 2006 actuals, updated est. on Growth, lower regional transportation

(3) FY 08 per Assessment per 3/15/07 School Committee meeting less 67% of COPS in schools adj of \$61k, other yrs 5.5% increase

(6) Additional allocation of revenue to the Town for FY08 and FY09 include:

Windfall Calculation

AB FY07 Actual CH70 appropriation	\$3,967,289	
AB FY07 ALG Projected CH70	\$3,609,289	
Expenditure windfall	\$358,000	approved by SC in two separate votes
Acton's Share	\$281,137	calculated @ 78.53%
Municipal windfall added in FY08	\$86,169	calculated @ ALG 2007 split
AB FY07 Estimated Receipts	\$4,715,036	from cherry sheet
Revenue windfall	\$747,747	estimated receipts - appropriation
Acton's Share	\$587,206	calculated @ 78.53%
Municipal windfall to be added in FY09	\$179,979	calculated @ ALG 2007 split--not yet added to FY09 amounts here
Total windfall	\$266,147	expenditure + revenue

John Murray

From: John Murray
Sent: Friday, September 28, 2007 7:21 AM
To: Bill Ryan
Subject: FY '09
Attachments: Copy of FY09ALG john ver 1.xls

Bill,

As you may recall from lunch, the BoS are having a Budget Workshop meeting on Saturday morning. Attached is a draft ALG Plan, unilaterally compiled by me. The areas highlighted in yellow are changes I made to last year's plan. I would appreciate it if you could take a look at it. Unfortunately, I will need to send it out by noon.

Thanks for your help.

John

9/28/2007

John Murray

From: Bill Ryan
Sent: Friday, September 28, 2007 9:12 AM
To: John Murray
Subject: Re: FY '09

John -

Unfortunately, I have meetings all day, so have asked Jonathan Chinitz to send you the last ALG plan spreadsheet from last year. Hope that is helpful.

Bill

9/28/2007